

Chief Arcellana reported we have sent a memorandum as an FYI to the Labor Agency reflecting our proposed request to DPA for additional pay differential for our PALJs.

Chief Arcellana also reported that the State Personnel Board conducted two hearings using our Poly-Com equipment in the Sacramento and Inland offices, and that it appeared to work very well for them. Deputy Director Pam Boston and her IT unit did a great job and should be commended for their efforts.

Chief Arcellana stated that the Labor Agency told us that the ALRB anticipates elections coming up, and that they will be asking for our assistance.

Lastly, Chief Arcellana reported that Labor Agency asked for a listing of our vacant ALJ positions. Currently we have 153 authorized ALJ II positions, of which 124 are filled, so there are 29 vacancies, 27 at the field level and 2 at the appellate level. We have 56 authorized ALJ I positions, of which 48 are filled, so there are 8 vacancies, six at the field level and 2 at the appellate level. Those positions are vacant primarily because we adjust staffing levels according to work load levels to stay within budget. Labor Agency has asked the other departments for the same information.

Chair Richardson inquired if we had already submitted the information, to which Chief Arcellana responded that Chief Counsel Ralph Hilton has submitted it to Agency General Counsel Bob Dresser.

7. Branch Reports:

- a. Executive Director/Chief ALJ Arcellana reported that Lorelei Contreras is the new Legal Support Supervisor I in Oxnard. Lorelei has good experience, as she has worked all of the functions in the office. Later this week there will be interviews for the LSS II position in Inland, as the current LSS II is retiring in October after a 35 year stint with the agency.

Chief Arcellana reported on a series of very productive meetings with the Fresno office over the past month. The temperament in the office is improved and the morale is high. These meetings have dealt with such matters as work flow issues and scheduling.

Chair Richardson inquired if there is anybody who can enter the Fresno office as the new PALJ. Chief Arcellana responded that there is someone on the existing PALJ list who appears interested and seems well-suited for the job.

Chief Arcellana went on to report that interpreter training was conducted in Fresno, and that too was very successful: 16 interpreters participated with 8 languages. We will continue to conduct this type of training so that interpreters are fully versed in our hearing process.

Chief Arcellana reported that the PALJ meeting is scheduled in Sacramento for next week on the 20th and 21st and there are a lot of items to cover.

Chief Arcellana reported that the digital recording project will be rolled out in Oxnard this week, and five more offices after that, which will complete the statewide implementation by the end of the year.

Chief Arcellana reported on the workload for the month of August: 21,000 cases verified in UI, and there were 20,000 dispositions; 2,000 cases were verified in DI, and there were 2,000 dispositions; in tax there were 122 verifications and 170 dispositions. The important points to the workload in August are that the UI verification workload remains very steady, and for this year we have had more verifications in every month than we did last year. We are also at equilibrium in terms of dispositions and registrations. For the entire year to date we have disposed of 47 more cases than verifications, about as close as you can get in terms of input and output.

Lastly, Chief Arcellana reported that they are still researching the report regarding the postage issue requested by the Chair at the last Board meeting. Currently each office has two postage meters, one for UI mailings and one for non-UI mailings. Non-UI mailings are billed directly to EDD, and they pay that as part of our interagency agreement. The UI postage is billed directly to DOL. DOL has told us that CUIAB and EDD jointly spend roughly 12 million dollars per year on postage, but they do not have it broken down between the CUIAB and EDD, so we are waiting on that information.

Chair Richardson inquired what non-UI mailings would be included, to which Chief Arcellana answered primarily DI, tax, and rulings.

Chair Richardson stated that if the 12 million covers just UI, what would be the cost for the non-UI mailings? Chief Arcellana responded we are waiting for that information from EDD.

Chair Richardson inquired as to what provision will be made to cover postage costs when our U.S. mail privileges are terminated.

Chief Arcellana responded that the Department of Labor would issue to each state a flat supplemental amount to cover the cost of the postage. However, per Pat O'Neil's report, it may not be enough to cover all of our costs.

Member Novey stated that in Chief Arcellana's report he had mentioned SPB was thinking about delegating the testing function to individual agencies, and asked how we would go about doing that if they gave us the green light.

Chief Arcellana responded that we would meet with them, and if appropriate they will delegate certain responsibilities to us, such as examinations, classifications, or hiring and promotions. They then agree upon the parameters

and give us the guidelines to follow. After a year they come and do an audit, and if we are in compliance they renew the delegation for another year.

Member Novey inquired if that delegation includes their participation, to which Chief Arcellana responded no, because they do not have the staff to cover all of the examinations. We have a number of employees who have taken the necessary courses and are qualified to conduct examinations.

Member Novey commented, in regard to the PALJ meeting that will take place next week, that he had spoken with several people at the Capital during the last week the legislature was in session, and that there is a huge loss of senior staff in managerial positions in three agencies he knows of personally. He strongly urged the Chair, Jay, and staff that we become resolute in sustaining the leadership in the field, and particularly at the PALJ level. If we start losing the PALJ commitments in the field, there are going to be major problems.

Chief Arcellana stated that it has always been difficult to recruit and retain at the PALJ level because of the salary compaction issue. It's a tough job, dealing with judges and support staff on issues such as case credits, case load, travel assignments, in addition to handling all of the party-related issues such as requests for subpoenas and continuances.

Chair Richardson stated that she thinks there is a compaction issue at the managerial level at all of the agencies, and she concurred with Member Novey that we need to make sure that that doesn't continue so that we can recruit and retain PALJs. She stated that she also feels it is important to have the best and the brightest in those positions.

- b. Deputy Chief ALJ, Appellate Operations, Stephen Angelides was unable to attend the September Board meeting but submitted his report, below, in writing to the board members.

On this date Deputy Chief ALJ Angelides is representing CUIAB at Department of Industrial Relations training in Los Angeles on diffusing difficult situations at hearings. On September 13 and 14 he will be in Oxnard to start the second half of the digital recording rollout; there are 6 offices left to roll out by the end of November.

In August registrations in AO dropped back to normal at 1385, which is 102% of the calendar year average, after a spike in July as a result of the increased production in the field in June due to the deficit reduction program. ALJ loans from the field and use of retired annuitants helped increase dispositions to 1,548 cases, which is 111% of the calendar year average. As a result the balance of open cases dropped to slightly below average at 2,131, 92% of the calendar year average.

In August the average case age jumped from 34 to 38 days, and the median case age took a bigger jump, from 31 to 37 days, also a consequence of the deficit reduction program.

On January 17, 2006, after lengthy negotiations, CUIAB changed its policy regarding transcribing hearings. Transcripts are now prepared in tax cases and in hearings over 60 minutes. Previously it ranged from 30 minutes to 45 minutes depending on the type of case. During the negotiations the AO ALJ's voluntarily listened to longer hearings to help alleviate the serious backlogs in CTU. The backlog in CTU has now been normalized at two to three weeks, as distinguished from two to three months at the start of negotiations. This change is also reflected in the page count in CTU. From January through May the monthly average was 12,822 pages of transcripts typed. From June through August the average was 8,388 pages, a drop of 35% from the average for the previous 5 months, with no further need for typing overtime in CTU. While the policy change has required AO judges to listen to longer tapes, it has enabled CTU to become self-sufficient and, more importantly, it has enabled AO to process its cases more promptly and more efficiently.

AO has continued to make progress on two continuing issues, tracking of submission dates and selection of the correct tax decision attachments. Regarding the tracking issue, IT has programmed some changes to CATS, and AO has provided training to its staff to ensure the proper use of CATS. Four interim reports have been designed to spot any inaccurate data. We have not had any recurrence of submission date problems to date since those changes were implemented.

As to the tax decision attachment issue, Unemployment Insurance Code section 410 requires us to attach to our decisions an explanation of the right to seek judicial review. Since the procedures for seeking judicial review are different for the various types of tax cases, AO has been using several attachments, and occasionally the wrong attachment has been chosen. We have now combined these attachments into a single attachment for tax cases.

As summer comes to an end many of the student assistants have returned to school. We will be hiring one regular support staff, and looking for new temporary help. The support staffing level in AO is down several positions from that in existence in May, 2005, when Deputy Chief ALJ Angelides started working in AO.

There are currently a number of special projects pending in AO which are consuming significant amounts of ALJ resources: a potential precedent decision on jurisdiction and notice in code section 1253(c) cases; a proposed decision in the tax case in which the Board heard oral argument in July; many more tax cases involving the courier industry; a couple of small trade dispute cases; the first comprehensive revision of the Board Paragraphs in over ten years. The latter project is being handled by a committee led by ALJ Pat Poyner. The other members of the committee are ALJ's Emma Castillo, Nancy

Kirk, and Shelley Mydans. The committee will conduct a training session on the paragraphs on September 28, which the Board members are invited to attend. This committee has been working hard all summer on this project and I am very appreciative of their excellent work.

- c. Deputy Director, Administrative Services Branch Pam Boston was on vacation-- Executive Director/Chief ALJ Arcellana gave her report.

Executive Director/Chief ALJ Arcellana presented, pursuant to the Board's prior request, the Contracting Report that is sent to the Department of General Services. This report covers the contracting activity of the CUIAB for the year, including the breakdown of participation by small businesses and Disabled Veteran Business Enterprises (DVBE), further broken down by race, ethnicity, and gender. The bottom line is that the CUIAB, in terms of disabled veteran participation and small business participation, exceeded all of our goals.

Chair Richardson inquired if those goals were 25% for small businesses and 3% for disabled veterans, to which Chief Arcellana responded in the affirmative.

Chair Richardson stated that she thought this is really good news, and that we should share it with the Labor Agency.

Chief Arcellana also reported on the pay package for support staff: a 3.5% salary increase retroactive to July 1, 2006, and a one time bonus of \$1000. The CUIAB's budget committee will meet next week to make certain these costs are built into the budget. The Department of Finance has not yet responded to EDD's memorandum asking that the state fund the increased costs of the employee pay raises.

Finally, Chief Arcellana reported that David Goebel, the IT web master who had left for the private sector just a month or so ago, is seeking to return. We will be glad to have him back.

- d. Deputy Director, Planning and Program Management Branch Mary Walton-Simons reported the following:

Digital Implementation and Training in the Oxnard Office

- Tomorrow and Thursday several staff from the PPM Branch under the management of Martha Silva will be providing digital training to both ALJs and Support Staff in the Oxnard Office of Appeals. Steve Angelides conducts the ALJ orientation prior to the hands-on training. The Oxnard rollout begins the final digital rollout of the offices. The remaining offices besides the Oxnard Office are Fresno, San Jose, San Diego, Inland, and Oakland. All offices should be digitally recording their hearings by December.

Training for the Supervisors

- A one-day training session has been scheduled in Sacramento for the supervisors who directly supervise typists. The training will cover the updated

Decision Typing Logs, the Typists' Training Plan, and policy enforcement. The project coordinator is Martha Diaz, a staff manager in the PPM Branch.

Data Classification:

- CUIAB's Information Security Officer, Michele Robinson, will be providing training to the supervisors on the classification of our data. This project is required pursuant to Budget Letter 05-08, the State Records Management Act, and the State Administrative Manual.
- Training for supervisors will take place in Sacramento in late September or October to assist them in identifying what is public, confidential and sensitive information in their offices to safeguard against unauthorized disclosure of information.

Spam Email

- Michele Robinson released an email to all employees about Spam email and provided tips for email users. This was in response to the many complaints she received from CUIAB employees who have been receiving Spam emails (unsolicited email or junk mail).

Portable Device and Portable Media Policy

- Michele Robinson reported on a new directive regarding Portable Media and Portable Devices. (Attachment A)
- DOF issued an IT Security Policy through its BL-05-32. The statewide policy requires all State agencies to establish internal policy and practices to ensure the encryption of portable devices and portable media that contain confidential, personally identifiable or sensitive data.
- Included in the definition of portable devices are laptops, notebooks, personal digital assistants, and similar mobile and handheld portable computing devices. Included in the definition of portable media are DVD & CD ROMS/RAMS, Floppy and Jump, Flash and Pin drives and all such electronic storage devices.
- A workgroup consisting of staff from IT and PPM were asked to analyze the new policy requirements and develop alternatives and recommendations to achieve compliance.
- A secondary review of the workgroup's analyses and recommendations was performed by the Legal Office and CIO.
- The recommendations agreed upon were to establish a policy that:
 1. Requires the encryption of all portable devices; and
 2. Prohibits the storage of confidential, personal or sensitive information on portable media unless a business case justification has been made and approved. A formal request and approval process is to be used when storing confidential, personal or sensitive information on portable media to ensure the media is properly encrypted and password protected when necessary.
- The Executive Director and Branch Deputy Directors have adopted the recommendations and ITS staff has begun the process of encrypting portable devices.
- The policy merely formalizes the recommendations and procedures being implemented to comply with the requirements set forth in BL 05-32.

- It has been reported that many other State agencies are still struggling with BL 05-32 compliance. Fortunately, CUIAB staff had already been studying the feasibility of encrypting portable devices and portable media prior to the issuance of BL-05-32; thus, CUIAB was in a much better position to quickly locate and implement encryption products which met its needs.

There were follow-up questions for Michele from the Board regarding the encryption of all desktops and servers, and a request by Chair Richardson for assurance that the Legal Office has had an opportunity to review the process, including the classification decisions being made. Ms. Robinson assured her that the Legal Office has been involved and consulted. Further, Ms. Robinson was asked to report back to the Board at the next meeting with a cost-benefit analysis to determine the feasibility of encrypting these additional items, desktops and servers, as balanced against the additional expense. Chair Richardson expressed her concern about protecting sensitive information held on our IT assets beyond just portable IT devices. Chair Richardson also inquired about the applicability of HIPPA to our medical records. Chief Counsel Hilton responded that HIPPA range of application has been a matter of on-going debate since its inception, but that CUIAB does not appear to come under its provisions since it does not create any medical documents itself. Chief Counsel Hilton also commented that the CUIAB has met all of the legal requirements for the safeguarding of information, and anything beyond that would be a matter of policy.

There was also a discussion about CUIAB e-mail groups, and a request from Chair Richardson that she and other Board members who so request be included in the "all-employee" and "Venture Oaks employee" and similar such groups.

Member Carbaugh stated that she wanted to commend Michelle Robinson for all of the work she is doing, and that the security of our information is an essential function.

Member Novey directed a question on another topic to Deputy Director Walton-Simons. He stated that years ago he was required to type sixty words per minute when he was on another endeavor. He would like to know what the standard page count for our typists is now.

Mary Walton-Simons responded that new typing standards have just recently been established, as the prior standards were established back in 1984 when typists used manual typewriters, had to use liquid white out, and didn't have macros to import whole sections. The new standards were established in conjunction with a study by the State Personnel Board, and require the typing of 6.3 pages per hour.

8. Chief Counsel's Report:

Chief Counsel Ralph Hilton reported that we are carrying 126 cases, with the filing of two new cases last month. One of those cases is somewhat unusual because the petitioner is attempting to appeal a board decision that is not a final decision, inasmuch as it simply remands the case to the ALJ for reconstruction of part of a

lost record. The petitioner wants the court to affirm the ALJ decision because it was in its favor. This action appears to be premature, since the administrative process has not yet been exhausted.

Chief Counsel Hilton continued to report that two significant cases were closed last month, one dealing with the issue of reasonable assurance for substitute teachers who seek but are not given work during the summer session, and the other which affirmed the principle that a party may not challenge a Board decision in court without first paying the associated tax obligation.

Chief Counsel Hilton also reported a recent decision in the area of couriers called JKH Enterprises. It is not one of our cases but it does deal with the issue of work status under Worker's Compensation. Originally the decision was not certified for publication, but just yesterday the court decided to certify the decision. The court decision reinforces our own decisions in this area.

Chief Counsel Hilton referenced the Board Members' work load report, noting that there was a significant increase from the prior month, to about 500 cases per member.

9. Unfinished & New Business:

There were no items scheduled.

10. Public Comment:

There was no public comment.

11. Closed Session:

The regularly scheduled Board meeting adjourned, and the Board went into closed session. No votes were taken in closed session.

Portable Device & Portable Electronic Storage Media

Policy:

The California Unemployment Insurance Appeals Board (CUIAB) must properly safeguard and account for its information assets. This includes all portable devices and portable media used and maintained by the agency, and the information stored on such devices and/or media. The following applies to all portable devices and portable media as defined herein:

1. All portable devices used and maintained by the agency will be properly safeguarded and accounted for at all times. The Cost Center Manager is responsible for management of portable devices and media acquired for their cost center until it is transferred to another cost center or surveyed out. This includes accurately accounting for items in their physical inventories. Employees are responsible for the management and care of devices and media issued to them in the course of their work for CUIAB.
2. Proper anti-loss and/or anti-theft measures must be employed as appropriate. These include, but are not limited to, securing the device in a locked cabinet or closet when not in use, securing the device in the trunk of a car and as carry-on baggage during travel, and securing the device to a stationary object with a cable locking device to prevent theft when appropriate. Any loss, theft or damage must be reported immediately.
3. All portable devices used and maintained by the agency must be encrypted and password protected. All cost centers will need to identify and supply their portable devices to Information Technology Services (ITS) so that devices can be encrypted. Unencrypted devices will not be able to access or authenticate to the CUIAB network, unless such access is specifically for the purpose of encrypting said device. To avoid possible access delay or disruption, present devices for the installation of encryption software and maintenance in a timely manner.
4. All portable media which contain confidential, personal or sensitive information as defined herein must be encrypted and password protected. Any legitimate business need which proposes to store or maintain confidential, personal or sensitive data on portable media must first be justified as business necessary and approved by the Cost Center Manager, the Chief Information Officer (CIO) and the Information Security Officer (ISO). In such cases, a method for quickly identifying and accounting for the records maintained on the media must be established. APPENDIX 1 will be used to ensure employees have received this policy and serve as a self-certification that an employee is not currently using portable media to store confidential, personal or sensitive information without approvals described herein. APPENDIX 2 will be used to obtain

such approvals as needed to comply with this policy.

5. Employees are not permitted to copy, download or maintain their own copies of any record which contains confidential, personal information as defined herein. This does not apply to job-related records routinely created or maintained by the employee about him or herself (e.g., timesheets, performance reports).
6. Under no circumstances is any employee permitted to maintain duplicate records beyond the established retention periods for such records or data.
7. Data encryption standards will meet or exceed the current ANSI/FIPS¹ standards as published by NIST².
8. Password strength and standards will meet or exceed the currently adopted guidelines (refer to CUIAB Passwords and Password Building Guidelines adopted and published 2/05) and enforcement will be automated where technically feasible. The current standard is at least an eight character password consisting of a combination of letters, numbers and symbols and a change is prompted every 90 days. Some portable devices, such as older cellular telephones may not provide for an eight character password. In such cases the maximum number of characters provided is to be used.

¹ American National Standards Institute/Federal Information Processing Standards.

² National Institute of Standards and Technology.

Terminology/Definitions:

Portable Device

Portable devices are typically electronic equipment designed specifically for mobility. For purposes of this policy portable devices include laptops, notebooks, PC tablets, Personal Digital Assistants (PDAs), and other handheld computing devices such as Blackberry, Palm Pilot, Sony Clie, HP/Compaq iPAQ, and any cellular telephones with a PDA or computing application function (e.g., email, Internet).

While cellular telephones alone are generally excluded from the data encryption requirement, users should be sensitive to the type of personal information stored in the contact directory of these as well (e.g., individual's name, home telephone number and home address). Where this type of personal data will be maintained, use of the device locking feature with a strong password as described herein is strongly recommended for these as well.

Portable Media

Portable media typically refers to a disk, tape or flash memory drive (again designed for mobility) that can be plugged into a PC drive, USB or FireWire port, or a PC card slot and used to copy, transfer and/or store data. For purposes of this policy, portable media includes floppy disks, zip drives, and jump, flash, pen and thumb drives, CD-RAM/ROMs, DVD-RAM/ROMs, and other types of external and portable disks and drives used to copy, transfer or store data.

This policy does not apply to cassette tapes or CD ROMs or DVD-ROMs created in response to requests for

copies of the audio/visual record made by parties pursuant to CCR, Title 22, Division 1, Subdivision 2, Section 5010 (f). Further, this policy does not currently apply to any mainframe and server tapes or their portable electronic storage media. The encryption of these will be handled through an amendment to this policy or a separate policy as soon as it becomes technically feasible to do so.

Confidential

For purposes of this policy, confidential is any information which is required to be protected from unauthorized disclosure by State or Federal statute, and/or is specifically exempt from disclosure under the provisions of the California Public Records Act (Government Code Sections 6250-6265). Examples include, but are not limited to, personal information as defined below and information related to pending litigation, personnel related documents (e.g., employee health, benefit, time reporting documents) and matters (e.g., corrective and/or disciplinary actions), and labor negotiations pursuant to Government Code Sections 11126(a), 11126(c), and 11126(e)(1).

Personal

For purposes of this policy, personal is any information which is required to be protected by State or Federal statute, including but not limited to personal information as defined in the California Information Practices Act (Civil Code Section 1798.3 (a)). This definition includes an individual's name and home address, home telephone number, physical description, personal identification numbers such as Social Security Number (SSN) or Driver's License

number, personal and financial account numbers such as bank routing or Personal Identification Number (PIN), and employment and medical history information.

Sensitive

For purposes of this policy, sensitive is any information (public, confidential or personal) that has been identified by the agency as requiring a higher level of protection or assurance as to its accuracy and completeness. Typically these are records related to financial or accounting transactions.

Authority:

Budget Letter 05-32

State Administrative Manual Sections 4841.2 through 4841.7

Civil Code Sections 1798.3(a) and 1798.29(e)

Policy Links:

Additional policy guidelines and instructions have been developed in conjunction with this policy. All CUIAB policies and guidelines are accessible to CUIAB employees on the CUIAB intranet website, theBench. Those guidelines, instructions or procedures directly related to this policy can be accessed by clicking on the policy link below:

[Information Sensitivity Guidelines](#)

[Passwords and Password Building Guidelines](#)

[Important Instructions for Portable Device Users](#)

Questions

Employees are to consult with their Supervisor whenever there is uncertainty about the classification of data or whether or not they are authorized to access, copy or maintain data.

Any questions related to this policy
may be directed to the following:

Information Security Officer
California Unemployment Insurance
Appeals Board
Planning & Program Management
Branch
2400 Venture Oaks Way, Suite 150
Sacramento, CA 95833
(916) 263-3462 or E-mail:
ISO@cuiab.ca.gov

**APPENDIX 1
EMPLOYEE SELF-CERTIFICATION**

EMPLOYEE INFORMATION	
Date:	Cost Center: Select from menu
Employee First and Last Name:	Employee Position/Classification:
EMPLOYEE CERTIFICATION	
<p>I hereby certify that I have received a copy of the California Unemployment Insurance Appeals Board Policy No. 24 entitled Portable Device and Portable Electronic Storage Media.</p> <p>I further certify that I am not and will not use portable media to copy, transfer or store confidential, personal or sensitive information without first receiving proper authorization as describe in the aforementioned policy.</p>	
Employee Signature:	Date:

APPENDIX 2
REQUEST FOR AUTHORIZATION TO USE PORTABLE MEDIA TO STORE
CONFIDENTIAL, PERSONAL OR SENSITIVE INFORMATION

REQUESTOR INFORMATION		
Date:	Cost Center: Select from menu	Cost Center Manager:
Person Making Request:		Phone:
Position/Classification of Person Making Request:		
REQUEST INFORMATION		
Request: (Briefly describe what is being requested).		
What portable media type will be used? Select from menu		Specify Other:
Business Need Justification: (Describe how/why this is necessary to business operations and why it should be approved).		
Consequences: (Describe the consequences if this request is not approved).		
Supporting Business Processes: (Describe the business processes and procedures which will be used to properly identify, account for and dispose of the confidential, personal, or sensitive information residing on the portable media when it is no longer needed)		
Supporting Encryption Technology: (Describe the encryption technology available and proposed for use in this situation. Include product maker, complete product name and version and anticipated cost).		

APPENDIX 2
REQUEST FOR AUTHORIZATION TO USE PORTABLE MEDIA TO STORE
CONFIDENTIAL, PERSONAL OR SENSITIVE INFORMATION

REVIEW AND APPROVALS		
Cost Center Manager Approval	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Signature:	Date:	
Executive Director Approval	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Signature:	Date:	
Printed or Typed:		
Chief Information Officer Approval	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Signature:	Date:	
Printed or Typed:		
Information Security Officer Approval	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Signature:	Date:	
Printed or Typed:		